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FISCAL IMPACT STATEMENT

LS 6385

BILL NUMBER: SB 288

NOTE PREPARED: Jan 20, 2011

BILL AMENDED:

SUBJECT: Hoosier Youth Corps Program.

FIRST AUTHOR: Sen. Tallian

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill establishes the Hoosier Youth Corps Program (Program) to provide college students summer internships with state and local governments and nonprofit organizations to help meet critical community needs. It provides that the State Student Assistance Commission (Commission) is the program administrator.

The bill also provides that an internship must provide work for at least 30 hours per week for at least 10 weeks, and pay a weekly stipend of at least \$50. It provides that the employer offering the internship is responsible for selecting and supervising program participants taking part in its internships.

The bill provides that a program participant who successfully completes an internship is entitled to receive a tuition grant of the greater of \$2,500 or the participant's tuition for the following year for use at an approved postsecondary educational institution. It also establishes the Hoosier Youth Corps Program Fund to pay the tuition grants offered by the program.

Effective Date: July 1, 2011.

Explanation of State Expenditures: The impact of the bill would depend on the appropriation by the General Assembly. The program is for college students, high school graduates, or general educational development (GED) diploma students who enroll in a postsecondary education institution for the next academic year. The program provides the tuition grants on a first-come basis, and the number of grants is limited to the amount appropriated by the General Assembly. For every 100 grants provided, the cost could be between \$250,000 and \$900,000 depending on the participant's tuition.

The program is to be administered by the Commission. There could be some cost with establishing and administering the program. Administrative costs could run up to 10% of the award amounts depending on the size of the program. The percentage for administration costs usually decreases as the amount of awards increases.

The state could have some reduced costs if they used Program participants for some jobs. Seasonal employees are paid about \$280 a week. The savings for each 100 participants used by the state would be about \$230,000.

Background: The program is similar to the federal AmeriCorps program. About 700 Hoosiers annually participate in the program to provide intensive results-driven service to meet education, environment, health, economic, and other pressing needs in communities across Indiana. Since 1994, more than 10,000 Indiana residents have served more than 12 M hours and have qualified for Segal AmeriCorps Education Awards totaling more than \$26.5 M.

Explanation of State Revenues:

Explanation of Local Expenditures: The local units could have some reduced costs if they used Program participants for some jobs. The savings would depend on the stipend paid and what the unit would have paid a seasonal employee.

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: All.

Information Sources: http://www.americorps.gov/for_individuals/choose/state_national.asp

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